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## 華潤醫療控股有限公司

**China Resources Medical Holdings Company Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1515)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2024**

#### **FINANCIAL HIGHLIGHTS**

	<b>2024</b>	<b>2023</b>
Revenue (RMB'000)	<b>9,854,790</b>	10,107,500
Profit for the year attributable to owners of the parent (RMB'000)	<b>565,875</b>	257,680
Earnings per share attributable to owners of the parent (Basic & diluted) (RMB)	<b>0.45</b>	0.20
Interim dividend per share (RMB)	<b>0.05</b>	–
Proposed final dividend per share (RMB)	<b>0.082</b>	0.06

The board of directors (the “**Board**”) of China Resources Medical Holdings Company Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended December 31, 2024 (the “**Year**” or the “**Reporting Period**”) as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

*Year ended December 31, 2024*

	<i>Note</i>	<b>2024</b> <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>REVENUE</b>	4	<b>9,854,790</b>	10,107,500
Cost of sales		<u><b>(8,044,964)</b></u>	<u>(8,201,663)</u>
Gross profit		<b>1,809,826</b>	1,905,837
Other income	5	<b>140,991</b>	189,887
Other gains and losses, net	6	<b>(46,186)</b>	(107,097)
Selling and distribution expenses		<b>(623)</b>	(2,728)
Administrative and other operating expenses		<b>(1,048,592)</b>	(970,769)
Finance costs		<b>(75,275)</b>	(131,835)
Impairment losses on financial and contract assets, net		<b>(7,921)</b>	(129,347)
Impairment loss on right-of-use assets		–	(1,863)
Impairment loss on property, plant and equipment		<b>(32,153)</b>	(208,926)
Impairment loss of goodwill		–	(141,018)
Share of profits of associates		<b>98,603</b>	90,780
<b>PROFIT BEFORE TAX</b>	7	<b>838,670</b>	492,921
Income tax	8	<u><b>(166,923)</b></u>	<u>(165,031)</u>
<b>PROFIT FOR THE YEAR</b>		<u><b>671,747</b></u>	<u>327,890</u>
Attributable to:			
Owners of the Company		<b>565,875</b>	257,680
Non-controlling interests		<b>105,872</b>	70,210
		<u><b>671,747</b></u>	<u>327,890</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>			
Basic (RMB yuan)	10	<u><b>0.45</b></u>	<u>0.20</u>
Diluted (RMB yuan)		<u><b>0.45</b></u>	<u>0.20</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended December 31, 2024

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>PROFIT FOR THE YEAR</b>	<b><u>671,747</u></b>	<b><u>327,890</u></b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Other comprehensive income that will not be reclassified to profit or loss:		
Re-measurement losses on defined benefit plans, net of nil tax	<u>(32,480)</u>	<u>(14,306)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b><u>639,267</u></b>	<b><u>313,584</u></b>
Attributable to:		
Owners of the Company	<b>540,605</b>	247,087
Non-controlling interests	<b><u>98,662</u></b>	<u>66,497</u>
	<b><u>639,267</u></b>	<b><u>313,584</u></b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*December 31, 2024*

	<i>Note</i>	<b>2024</b>	2023
		<b><i>RMB'000</i></b>	<i>RMB'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>4,791,782</b>	4,863,851
Right-of-use assets		<b>479,821</b>	497,843
Goodwill		<b>3,599,182</b>	3,599,182
Other intangible assets		<b>7,781</b>	45,304
Investments in associates		<b>993,602</b>	982,350
Receivables from invest-operate-transfer (“ <b>IOT</b> ”) hospitals		<b>8,231</b>	37,434
Financial assets at fair value through profit or loss (“ <b>FVTPL</b> ”)		<b>34,855</b>	49,084
Deferred tax assets		<b>33,223</b>	42,178
Other non-current assets		<b>130,535</b>	107,887
		<hr/>	<hr/>
Total non-current assets		<b>10,079,012</b>	10,225,113
<b>CURRENT ASSETS</b>			
Inventories		<b>301,662</b>	302,076
Trade and bills receivables	<i>11</i>	<b>1,412,156</b>	1,535,652
Contract assets		<b>4,605</b>	8,257
Prepayments, deposits and other receivables		<b>427,199</b>	270,499
Due from related parties		<b>39,730</b>	32,213
Restricted and pledged bank deposits		<b>76,453</b>	44,285
Cash and cash equivalents		<b>977,333</b>	1,236,097
		<hr/>	<hr/>
Total current assets		<b>3,239,138</b>	3,429,079

	<i>Note</i>	<b>2024</b> <b>RMB'000</b>	2023 <i>RMB'000</i>
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	12	<b>1,696,260</b>	1,731,495
Other payables and accruals		<b>1,588,996</b>	1,670,544
Due to related parties		<b>435,403</b>	369,181
Interest-bearing bank borrowings		<b>701,717</b>	1,277,874
Lease liabilities		<b>51,946</b>	45,028
Deferred income		<b>3,769</b>	22,809
Tax payable		<b>21,295</b>	90,442
Total current liabilities		<b>4,499,386</b>	5,207,373
<b>NET CURRENT LIABILITIES</b>		<b>(1,260,248)</b>	(1,778,294)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>8,818,764</b>	8,446,819
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank borrowings		<b>734,700</b>	884,846
Lease liabilities		<b>107,239</b>	103,642
Defined benefit plan obligations		<b>393,843</b>	364,426
Deferred income		<b>38,827</b>	23,060
Deferred tax liabilities		<b>25,211</b>	33,783
Provision		–	1,930
Other liabilities		<b>20,876</b>	22,066
Total non-current liabilities		<b>1,320,696</b>	1,433,753
Net assets		<b>7,498,068</b>	7,013,066
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		<b>267</b>	267
Reserves		<b>6,213,269</b>	5,811,794
		<b>6,213,536</b>	5,812,061
Non-controlling interests		<b>1,284,532</b>	1,201,005
Total equity		<b>7,498,068</b>	7,013,066

## NOTES

*December 31, 2024*

### 1. CORPORATE INFORMATION

China Resources Medical Holdings Company Limited is a limited liability company incorporated in the Cayman Islands. The address of the registered office of the Company is 4th Floor, Harbour Place, 103 South Church Street, PO Box 10240, Grand Cayman KY1-1002, Cayman Islands. The principal place of business of the Company in Chinese Mainland is located at 14/F, Kunlun Center Office Building, No. 9 Fuyi Street, Fengtai District, Beijing, the People's Republic of China (the "PRC").

During the Year, the Company and its subsidiaries (collectively referred to as the "Group") were mainly engaged in (i) provision of general healthcare services; (ii) provision of hospital management services, sale of pharmaceuticals, medical devices and medical consumables and provision of other services in Chinese Mainland.

### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at FVTPL which have been measured at fair value. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

As at 31 December 2024, the Group's current liabilities exceeded its current assets by RMB1.26 billion. As at 31 December 2024, the Group has unutilised bank facilities of approximately HKD3.40 billion and RMB4.39 billion (equivalent to approximately RMB7.54 billion in total). The directors of the Company have reviewed the Group's cash flow forecast for the next twelve months and are of the opinion that the Group will have sufficient facilities to repay the liabilities. Accordingly, the directors of the Company consider it appropriate to prepare the consolidated financial statements on a going concern basis.

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has applied the following amended IFRS Accounting Standards issued by the IASB to these financial statements for the current accounting period:

- Amendments to IAS 1, *Presentation of financial statements — Classification of liabilities as current or non-current* (“**2020 amendments**”) and amendments to IAS 1, *Presentation of financial statements — Non-current liabilities with covenants* (“**2022 amendments**”)
- Amendments to IFRS 16, *Leases — Lease liability in a sale and leaseback*
- Amendments to IAS 7, *Statement of cash flows* and IFRS 7, *Financial instruments: Disclosures — Supplier finance arrangements*

None of these developments have had a material effect on how the Group’s results and financial position for the current period have been prepared or presented. The Group has not applied any new or amended standard that is not yet effective for the current accounting period.

## 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2024 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	<b>Effective for accounting periods beginning on or after</b>
Amendments to IAS 21, <i>The effects of changes in foreign exchange rates — Lack of exchangeability</i>	1 January 2025
Amendments to IFRS 9, <i>Financial instruments</i> and IFRS 7, <i>Financial instruments: disclosures — Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to IFRS Accounting Standards — Volume 11	1 January 2026
IFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
IFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

### 3. OPERATING SEGMENT INFORMATION

Management monitors the results of the Group's operating segments separately for the purpose of facilitating decision-making process of resource allocation and performance assessment. During the reporting period, the reportable segments of the Group are as follows:

- (a) Hospital business: including out-patient business, in-patient business corresponding to self-owned hospitals.
- (b) Other business: including operation management services, supply chain services and other services provided to participating hospitals and IOT/OT hospitals.

Segment performance is evaluated based on reportable segment results, which are measurements of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that fair value gains/losses on an equity investment at FVTPL, investment income on financial assets at FVTPL, investment income on other financial assets at amortised cost, other unallocated income and gains, foreign exchange differences, net, impairment loss of goodwill, other unallocated losses and expenses are excluded from such measurement.

Segment assets exclude goodwill, unallocated investments in associates, financial assets at FVTPL, other financial assets at amortised cost, cash and cash equivalents and pledged deposits and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank borrowings and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.



The following is an analysis of the Group's revenue and results, and assets and liabilities by reportable operating segments.

### Segment revenue and results

	<b>Hospital business RMB'000</b>	<b>Other business RMB'000</b>	<b>Total RMB'000</b>
Year ended 31 December 2024			
Segment revenue	9,184,960	669,830	9,854,790
Inter-segment revenue	–	–	–
Consolidated revenue	<u>9,184,960</u>	<u>669,830</u>	<u>9,854,790</u>
Segment cost	(7,531,661)	(513,303)	(8,044,964)
Other income	119,713	3,965	123,678
Share of profits of associates	–	98,603	98,603
Other gains and losses, net	(13,118)	(453)	(13,571)
Selling and distribution expenses	(516)	(107)	(623)
Administrative and other operating expenses	(927,431)	(26,887)	(954,318)
Finance costs	(18,960)	–	(18,960)
Impairment losses on financial and contract assets, net	(14,589)	8,885	(5,704)
Impairment loss on property, plant and equipment	(32,153)	–	(32,153)
Segment results	<u>766,245</u>	<u>240,533</u>	<u>1,006,778</u>
Other unallocated income and gains			17,313
Fair value gains on an equity investment FVTPL			(14,229)
Foreign exchange differences, net			(1,185)
Other unallocated losses and expenses			<u>(170,007)</u>
Profit before tax			<u><u>838,670</u></u>

	Hospital business RMB'000	Other business RMB'000	Total RMB'000
Year ended 31 December 2023			
Segment revenue	9,406,153	702,251	10,108,404
Inter-segment revenue	–	(904)	(904)
Consolidated revenue	<u>9,406,153</u>	<u>701,347</u>	<u>10,107,500</u>
Segment cost	(7,671,318)	(530,345)	(8,201,663)
Other income	104,432	202	104,634
Share of profits of associates	–	90,780	90,780
Other gains and losses, net	(12,306)	–	(12,306)
Selling and distribution expenses	(2,207)	(521)	(2,728)
Administrative and other operating expenses	(845,686)	(25,595)	(871,281)
Finance costs	(22,436)	–	(22,436)
Impairment losses on financial and contract assets, net	(107,865)	–	(107,865)
Impairment loss on right-of-use assets	(1,863)	–	(1,863)
Impairment loss on property, plant and equipment	(208,926)	–	(208,926)
Segment results	<u>637,978</u>	<u>235,868</u>	<u>873,846</u>
Investment income on other financial assets at amortised cost			18,831
Other unallocated income and gains			72,795
Fair value gains on an equity investment FVTPL			(16,520)
Impairment loss of goodwill			(141,018)
Foreign exchange differences, net			(77,689)
Other unallocated losses and expenses			<u>(237,324)</u>
Profit before tax			<u><u>492,921</u></u>

**Segment assets and liabilities**

	<b>Hospital business RMB'000</b>	<b>Other business RMB'000</b>	<b>Total RMB'000</b>
<b>As at 31 December 2024</b>			
Segment assets	<u>8,889,773</u>	<u>1,348,719</u>	<u>10,238,492</u>
Unallocated assets			7,031,490
Elimination of inter-segment receivables			<u>(3,951,832)</u>
Total assets			<u>13,318,150</u>
Segment liabilities	<u>4,865,659</u>	<u>20,870</u>	<u>4,886,529</u>
Unallocated liabilities			4,885,385
Elimination of inter-segment payables			<u>(3,951,832)</u>
Total liabilities			<u>5,820,082</u>
	<b>Hospital business RMB'000</b>	<b>Other business RMB'000</b>	<b>Total RMB'000</b>
<b>As at 31 December 2023</b>			
Segment assets	<u>8,365,531</u>	<u>1,431,481</u>	<u>9,797,012</u>
Unallocated assets			7,906,017
Elimination of inter-segment receivables			<u>(4,048,837)</u>
Total assets			<u>13,654,192</u>
Segment liabilities	<u>5,033,251</u>	<u>12,531</u>	<u>5,045,782</u>
Unallocated liabilities			5,644,181
Elimination of inter-segment payables			<u>(4,048,837)</u>
Total liabilities			<u>6,641,126</u>

## Geographical information

The Group's operations are located in the PRC, all of the Group's revenue from external customers are generated in the PRC, and substantially all of the Group's non-current assets, excluding financial instruments and deferred tax assets, are located in the PRC.

## 4. REVENUE

### (a) Disaggregated revenue information

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
<b>Types of goods or services</b>		
In-patient	5,293,544	5,473,459
Out-patient	<u>3,891,416</u>	<u>3,932,694</u>
<b>General healthcare services</b>	<b>9,184,960</b>	9,406,153
<b>Other services</b>	<b><u>669,830</u></b>	<u>701,347</u>
<b>Total</b>	<b><u><u>9,854,790</u></u></b>	<b><u><u>10,107,500</u></u></b>
<b>Timing of revenue recognition</b>		
Point in time	4,499,676	4,597,431
Over time	<u>5,355,114</u>	<u>5,510,069</u>
<b>Total</b>	<b><u><u>9,854,790</u></u></b>	<b><u><u>10,107,500</u></u></b>

**(b) Performance obligations**

Information about the Group's performance obligations is summarised below:

***General healthcare services***

Revenue from the provision of general healthcare services is mainly derived from hospital services provided at the consolidated hospitals, which is recognised when the related services have been rendered to customers.

For in-patient services, customers normally receive in-patient treatment which contains various treatment components. Since the patient simultaneously receives and consumes the benefits of the Group's performance in the medical treatment, the relevant revenue of in-patient services is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards the complete satisfaction of performance obligation is measured by direct measurements of the value of individual products or services transferred by the Group to the customer.

Revenue from the provision of out-patient services is recognised at a point in time, i.e. when the services are provided.

***Other services***

For the hospital management services rendered on various aspects of daily operations of the hospitals, the contracts contain multiple deliverables. As such services have the same pattern of transfer to the customer, it is therefore regarded as a single performance obligation.

Revenue from the provision of hospital management services is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards the complete satisfaction of performance obligation is measured by direct measurements of the value of the services transferred by the Group to the customer. The relevant revenue is recognised based on pre-set formulas set out in the arrangements.

Revenue from the sale of pharmaceuticals, medical devices and medical consumables to non-consolidated hospitals is recognised when control of merchandise is transferred to the customer, i.e. when the merchandise is delivered and simultaneously accepted by the customer.

Revenue from other hospital services is recognised at a point in time, i.e. when the consultation reports are issued to the customer or when the consultation services are completed.

The Group takes advantage of practical expedient in IFRS15 and does not disclose the remaining performance obligation as the Group's sales contracts either have an original expected duration of less than one year or the revenue is performance-based.

## 5. OTHER INCOME

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Interest and investment income on:		
Financial assets at FVTPL	1,062	10,529
Other financial assets at amortised cost	–	21,291
Bank deposits	13,150	53,513
Dividend income on an equity investment at FVTPL	3,589	3,871
Government grants*	14,372	30,445
Rental income	6,648	5,624
Canteen income	27,649	29,534
Write-off of payables	32,906	7,238
Others	41,615	27,842
	<u>140,991</u>	<u>189,887</u>

\* There are no unfulfilled conditions or contingencies relating to these subsidies.

## 6. OTHER GAINS AND LOSSES, NET

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Change in fair value of an equity investment at FVTPL	(14,229)	(16,520)
Foreign exchange differences, net	(1,185)	(77,689)
Loss on disposal of items of property, plant, equipment and intangible assets	(11,187)	(2,385)
Others	(19,585)	(10,503)
	<u>(46,186)</u>	<u>(107,097)</u>

## 7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Cost of inventories sold	4,190,355	4,477,328
Depreciation of property, plant and equipment	557,693	552,590
Depreciation of right-of-use assets	57,892	51,753
Amortisation of intangible assets (included in cost of sales)	<u>3,311</u>	<u>6,520</u>
Total depreciation and amortisation	<u>618,896</u>	<u>610,863</u>
Wages, salaries, bonuses and allowances	3,136,380	3,097,741
Pension scheme contributions*		
Defined contribution scheme	312,312	290,791
Defined benefit scheme	<u>21,404</u>	<u>17,487</u>
Total employee benefit expense (including directors' remuneration)	<u>3,470,096</u>	<u>3,406,019</u>
Auditor's remuneration	<u>4,500</u>	<u>4,500</u>

\* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

## 8. INCOME TAX

The PRC enterprise income tax has been provided at the rate of 25% (2023: 25%) on the estimated assessable income arising in the PRC during the Year. No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the Year (2023: Nil).

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Current — Chinese Mainland		
Charge for the Year	165,535	217,132
Under-provision in prior years	1,005	1,307
Deferred	383	(53,408)
	<u>166,923</u>	<u>165,031</u>
Total tax charge for the year	<u>166,923</u>	<u>165,031</u>

## 9. DIVIDENDS

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Dividend recognised as distribution during the Year:		
Final 2023 — RMB6.0 cents (2022: HK3.7 cents, equivalent to approximately RMB3.3 cents) per ordinary share	77,860	43,436
Interim 2024 — RMB5.0 cents (2023: Nil) per ordinary share	64,834	—
Less: Dividend for shares held under the Share Award Scheme	(3,564)	(1,083)
	<u>139,130</u>	<u>42,353</u>
	<u>139,130</u>	<u>42,353</u>
	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Final dividend proposed after the end of the reporting period:		
Proposed final dividend for 2024 — RMB8.2 cents (2023:RMB6.0 cents) per ordinary share	106,327	77,801
	<u>106,327</u>	<u>77,801</u>

The proposed final dividend for the Year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.



## 10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the Year attributable to ordinary equity holders of the parent of RMB565,875,000 (2023: RMB257,680,000), and the weighted average number of ordinary shares of 1,264,292,000 (2023: 1,264,292,000) in issue during the Year.

The Group had no potentially dilutive ordinary shares in issue during the year ended 31 December 2024.

## 11. TRADE AND BILLS RECEIVABLES

	2024 <i>RMB'000</i>	2023 <i>RMB'000</i>
Trade receivables		
Public medical insurance program	1,279,842	1,608,931
Other customers	362,176	372,299
Bills receivables	182	132
	<u>1,642,200</u>	<u>1,981,362</u>
Impairment	<u>(230,044)</u>	<u>(445,710)</u>
	<u><u>1,412,156</u></u>	<u><u>1,535,652</u></u>

The Group's trading terms with its corporate customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit periods ranged from 30 to 180 days. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade and bills receivables are non-interest-bearing.

An ageing analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 1 year	<b>1,383,399</b>	1,496,569
1 to 2 years	<b>24,450</b>	28,450
Over 2 years	<b>4,307</b>	10,633
	<u><b>1,412,156</b></u>	<u>1,535,652</u>

## 12. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the date of delivery of goods, is as follows:

	<b>2024</b>	2023
	<b><i>RMB'000</i></b>	<i>RMB'000</i>
Within 60 days	<b>1,000,117</b>	796,279
61 to 180 days	<b>565,302</b>	594,773
Over 180 days	<b>130,841</b>	340,443
	<u><b>1,696,260</b></u>	<u>1,731,495</u>

The trade and bills payables are non-interest-bearing and are normally granted on a credit term of 0 to 90 days.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

In 2024, the medical industry faced significant challenges such as intensifying regional competition, accelerating industry differentiation and the reform of medical insurance payment. Adhering to the annual management theme of “expediting structural reforms and continuously improving efficiency”, the Group vigorously strengthened the building of its core capabilities and created a medical operation model with the characteristics of China Resources, in a bid to strive for lasting stability amidst ever-changing competitive landscape of the industry.

During the Reporting Period, the Group’s member hospitals actively assessed and analyzed risks and challenges to overcome the impacts of external environment, such as the reform of medical insurance payment and intensifying regional competition, and continued to improve their medical service capabilities to continuously enhance their competitiveness in the region. In 2024, the number of out-patient visits and in-patient visits of the Group’s self-owned hospitals increased by 1.3% and 1.0% year-on-year, respectively.

The consolidated revenue of the Group for the Reporting Period amounted to RMB9.855 billion (FY2023: RMB10.108 billion), and the consolidated net profit of the Group for the Reporting Period amounted to RMB672 million (FY2023: RMB328 million). Earnings per share of the Company amounted to RMB0.45 (FY2023: RMB0.20).

#### **Scale of our operation**

As of December 31, 2024, the Group managed and operated a total of 105 medical institutions in 10 provinces and cities in the PRC. During the Reporting Period, the number of conventional out-patient visits and in-patient visits of self-owned hospitals were approximately 10,320,000 and 560,000, respectively, representing the respective year-on-year increase of 1.9% and 1.0%.

## List of Medical Institutions under the Group's Management and Operation

Province/City	Grade III Hospitals	Grade II Hospitals	Grade I Hospitals and Community Centres	Clinics & Other Medical Institutions	Total
Beijing	3	2	7	8	20
Liaoning	5	11	9	5	30
Jiangxi	1	3	4	3	11
Shandong	–	1	1	3	5
Shanxi	–	1	–	–	1
Jiangsu	–	1	–	–	1
Anhui	1	1	16	2	20
Hubei	2	–	3	6	11
Guangdong	1	1	–	2	4
Guangxi	–	1	1	–	2
Total	<u>13</u>	<u>22</u>	<u>41</u>	<u>29</u>	<u>105</u>

*Note:*

The hospital grading system in Chinese Mainland is a review system implemented by the health administrative departments of the People's Republic of China for medical institutions within their administrative jurisdiction, including the criteria for reviewing hospital qualifications. Currently, China operates a three-tier medical service system; Grade III hospitals, as high-quality medical resources, represent the highest level of medical qualifications in Chinese Mainland.

## Operating data for Year 2024

Type	Number of operational beds	Utilization rate of beds	Number of patients		Revenue from medical business (RMB'000)			Total
			Number of out-patients	Number of in-patients	Revenue from out-patient visits	Revenue from in-patient visits	Revenue from physical examination	
Self-owned Hospitals	<u>18,567</u>	<u>82.9%</u>	<u>10,325,639</u>	<u>560,149</u>	<u>3,664,597</u>	<u>5,293,544</u>	<u>226,819</u>	<u>9,184,960</u>

## Operating data for Year 2023

Type	Number of operational beds	Utilization rate of beds	Number of patients		Revenue from medical business (RMB'000)			Total
			Number of out-patients	Number of in-patients	Revenue from out-patient visits	Revenue from in-patient visits	Revenue from physical examination	
Self-owned Hospitals	<u>18,617</u>	<u>83.7%</u>	<u>10,191,416</u>	<u>554,547</u>	<u>3,706,247</u>	<u>5,473,459</u>	<u>226,447</u>	<u>9,406,153</u>

*Note:*

- (1) In respect of the operating data statistics, the abovementioned self-owned hospitals refer to all consolidated hospitals.

## FINANCIAL REVIEW

### Financial data

The table below sets out the key financial figures of the Group by business segments for the specific years:

	2024	2023	Year-on-Year Change	
	RMB'000	RMB'000	RMB'000	Percentage
<b>Hospital Business<sup>(1)</sup></b>				
Revenue	<b>9,184,960</b>	9,406,153	-221,193	-2.4%
— Revenue from out-patient visits	<b>3,891,416</b>	3,932,694	-41,278	-1.0%
— Revenue from in-patient visits	<b>5,293,544</b>	5,473,459	-179,915	-3.3%
Segment gross profit	<b>1,653,299</b>	1,734,835	-81,536	-4.7%
Segment results	<b>766,245</b>	637,978	128,267	20.1%
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Other Business<sup>(2)</sup></b>				
Revenue	<b>669,830</b>	701,347	-31,517	-4.5%
Segment gross profit	<b>156,527</b>	171,002	-14,475	-8.5%
Segment results	<b>240,533</b>	235,868	4,665	2.0%
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total</b>				
Revenue	<b>9,854,790</b>	10,107,500	-252,710	-2.5%
Segment gross profit	<b>1,809,826</b>	1,905,837	-96,011	-5.0%
Segment results	<b>1,006,778</b>	873,846	132,932	15.2%

Notes:

- (1) Hospital business includes: out-patient business and in-patient business corresponding to self-owned hospitals.
- (2) Other business includes: operation management services, supply chain services and other services provided to participating hospitals and IOT (the “invest-operate-transfer” model)/OT (the “operate-transfer” model) hospitals.

### Hospital Business

During the Reporting Period, the revenue of the hospital business segment was RMB9,185 million, representing a year-on-year decrease of 2.4%. Among which the indicators of number of visits both increased, with out-patient visits increased by 1.3% and in-patient visits increased by 1.0%. Affected by the medical insurance cost control, the revenue per out-patient visit and the revenue per in-patient visit decreased by 2.4% and 4.3%, respectively.

During the Reporting Period, we made efforts to reduce the impact of the decline in revenue per visit on the hospital business’s profit through improving quality and efficiency. The gross profit of the hospital business segment was RMB1,653 million, representing a year-on-year decrease of 4.7%, with a gross profit margin of 18.0%; the profit of the hospital business segment recorded RMB766 million, representing a year-on-year increase of 20.1%.

## **Other Business**

During the Reporting Period, the revenue of other business was RMB670 million, representing a year-on-year decrease of 4.5%, and the segment profit of other business was RMB241 million, representing a year-on-year increase of 2.0%.

## **Administrative and other operating expenses**

During the Reporting Period, the Group's administrative and other operating expenses totaled RMB1,049 million, increased by 8.0% year-on-year, the increase was mainly due to the depreciation and amortization and technical service expenses generated by hardware and software upgrades and renovations to improve the medical services quality and optimize the patient visit environment.

## **Finance Costs**

During the Reporting Period, the finance costs of the Group amounted to approximately RMB75.28 million (Corresponding Period: approximately RMB131.84 million), decreased by 42.9% year-on-year. The decrease in the finance costs was in line with optimizing the financing structure, replacement of foreign currency bank borrowings with RMB bank borrowings, with reduced bank borrowings interest rates.

## **Income tax**

During the Reporting Period, the Group's income tax amounted to approximately RMB167 million (Corresponding Period: approximately RMB165 million), increased by 1.1% year-on-year.

## **Net profit**

During the Reporting Period, the Group's net profit was RMB672 million, representing a year-on-year increase of 104.9%. The increase was mainly due to the impairment losses relating to Huaiyin Hospital which reduced the net profit of the Group by RMB447 million during 2023.

## **Liquidity and Financing**

We adopt a prudent treasury management policy to maintain a solid and healthy financial position. The Group funds its operations principally from cash generated from its operations and also bank facilities. Its cash needs relate primarily to operating activities, business expansion, repayment of liabilities as they become due, capital expenditures, interest and dividend payments.

As at December 31, 2024, the Group's consolidated bank balances and cash, certificate of deposit and bank financial products amounted to approximately RMB1.054 billion in total (December 31, 2023: approximately RMB1.280 billion) which were primarily in RMB.

As at December 31, 2024, the Group had obtained offshore revolving term loan facility of HK\$3.40 billion (or its equivalent in U.S. dollar or RMB), among them, HK\$2.60 billion is of the term of one year which shall be automatically renewed if the relevant bank does not notify otherwise. In addition, the Group has also obtained from banks in mainland facilities of RMB5.86 billion. As at December 31, 2024, the Group had bank borrowings of RMB1.436 billion, among them, RMB1.435 billion was interest-bearing bank loans and RMB1.391 million was financial discount bank loans. (As at December 31, 2023: the Group had bank borrowings of RMB2.16 billion, among them, RMB2.12 billion was interest-bearing bank loans and RMB40 million was financially discounted bank loans). Among all the bank borrowings, RMB0.69 billion was of fixed interest rates, and unutilized bank facilities of amounted to HK\$3.40 billion and RMB4.39 billion (equivalent to approximately RMB7.54 billion in total).

As at December 31, 2024, on the basis of interest-bearing liabilities divided by total assets, the Group's gearing ratio was 10.8% (December 31, 2023: 15.8%). In addition, the carrying value of each of our wealth management products as at December 31, 2024 did not exceed 5% of the Group's total asset value.

### **Exposure to Fluctuation in Exchange Rates and Other Risks**

As of December 31, 2024, the Group did not undertake operating transactions in foreign currencies, and had no foreign currency bank borrowings.

The Group has not used any derivative contracts to hedge against its exposure to currency risk. The management manages the currency risk by closely monitoring the movement of the foreign currency rates and considers hedging against significant foreign exchange exposure should such need arise.

The Group is also exposed to the risk of talent shortage, so we have been taking an active approach to attract, train and retain sufficient qualified doctors, management personnel and other medical staff members, otherwise the business of hospitals affiliated to the Group would be affected to some degree. Please refer to the paragraph headed "Management Discussion and Analysis — Employees and Remuneration Policy" of this announcement for those measures mentioned above.

The Group also recognise that our relationship with patients and partners is key to the resilient development of the Group. We strive to provide qualified services and medical staffs with extensive experiences to our patients. By leveraging on sophisticated medical skills and equipment, we try our best to cater to our patients' needs for medical treatments. We also cooperate with our partners to achieve the sustainable development of our business.



## **Contingent Liabilities**

As at December 31, 2024, the Group did not have any contingent liabilities or guarantees that would have a material impact on the financial position or operations of the Group.

## **Pledge of Assets**

As of December 31, 2024, the Group did not have any material pledge of assets.

## **SUBSEQUENT EVENT(S)**

Regarding the litigation filed by the Company against the Yanhua Parties in September 2022, on December 27, 2024, the Beijing High People's Court ruled to allow the Yanhua Parties to withdraw its appeal and handed down the final judgment upholding the original judgment. On February 20, 2025, the Company has received the enforcement payment of RMB209.48 million transferred by the court. Regarding the payment received as a result of the aforementioned judgment, the Company will further consider the overall circumstances and consult with professional advisors to determine the appropriate accounting treatment. Such amount may or may not be recognized as other income of the Company in full. For more details, please refer to the section "OTHER INFORMATION — Yan Hua IOT Agreement Dispute" as set out below and the announcement of the Company dated February 21, 2025.

Save as disclosed herein of this announcement, the Group had no other significant subsequent events occurred after December 31, 2024 which may have material impact on the performance and the value of the Group.

## **SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS, AND INVESTMENTS IN JOINT VENTURE(S) AND ASSOCIATE(S)**

The Board considers any single investment with fair value accounting for more than 5% of the total assets of the Group as significant investment. Save as disclosed in the sections headed "Investment in UMP Healthcare Holdings" and "Investments in Associates — JR Renkang & JR Holdings" as set out below, the Group did not have any significant acquisitions and disposals of subsidiaries, associates or joint ventures during the Reporting Period.

## **Investment in UMP Healthcare Holdings**

UMP Healthcare Holdings, listed on the main board of the Stock Exchange (stock code: 722.HK), is mainly engaged in providing healthcare solutions and service in Hong Kong. Details of investment in UMP Healthcare Holdings have been disclosed in the Company's annual reports in prior years. Pursuant to the relevant accounting standards, the Company has categorised the investment in UMP Healthcare Holdings as financial assets at fair value through profit or loss. As at December 31, 2024, the fair value of the investment in UMP Healthcare Holdings was approximately RMB34.86 million.

## **Investments in Associates — JR Renkang & JR Holdings**

On June 28, 2020, the Group entered into a restructuring agreement on the establishment of two associates with Jing Mei Group, pursuant to which Beijing Jing Run Renkang Hospital Management Co., Ltd. ("**JR Renkang**") and Beijing Jing Run Renkang Holdings Co., Ltd. ("**JR Holdings**") were established and held by the Group and Jing Mei Group as to 49% and 51%, respectively. Upon establishment, JR Renkang and JR Holdings became associates of the Group. Pursuant to the abovementioned agreement, JR Holdings has become the sponsor of the Jing Mei Hospital Group and JR Renkang has been providing hospital management services to the Jing Mei Hospital Group. Please refer to the announcement of the Company dated June 28, 2020 for further details.

## **FUTURE PLANS FOR MATERIAL INVESTMENT OR CAPITAL ASSETS**

As at the date of this announcement, there are currently no concrete plans to acquire any material investment or capital assets other than those conducted in the Group's ordinary course of business.

## **FUTURE OUTLOOK**

In 2025, the Group will continue to strengthen its core competencies including discipline construction, patient services, group operations, organizational talents, and digital intelligence. In terms of strategic planning, the Group will take discipline development as the core and patient services as a key lever, and forge sustainable development capabilities through group operations. As for regional planning, the Group will formulate targeted discipline plans and development strategies based on regional patient needs, the competitive environment, and its own development stage. Regarding the improvement of medical technology and patient service capabilities, the Group will promote effective resource matching and continuous investment based on clear planning. The Group will strengthen refined management and solidify operational quality, so as to establish a closed-loop operation system that encompasses planning, operational planning, budgeting, assessment, and analysis. This will ensure that hospital planning is effectively implemented and achieve an organic integration of disciplines, patient services, and operations. Furthermore, the Group will deepen the construction of digital intelligence systems in hospitals. The headquarters will coordinate the construction and transformation of smart hospitals, artificial intelligence, data applications, information technology application innovation and security, and integrate the requirements for regional and group management into its efforts on digital intelligence construction.

The year 2025 marks the conclusion of the “14th Five-Year Plan” and the planning phase for the “15th Five-Year Plan”. By upholding the annual management theme of “deepening structural reforms and continuously improving quality and efficiency”, the Group will stabilize existing operations while expanding new ones, and strive to develop a medical operation model with a unique China Resources characteristics as soon as possible through professional management and group operations.

## **EMPLOYEES AND REMUNERATION POLICY**

As of December 31, 2024, the Group had a total of 19,953 full-time employees (December 31, 2023: 20,172 employees). For FY2024, the staff cost (including Directors’ remuneration in the form of salaries and other benefits) was approximately RMB3,470 million (FY2023: RMB3,406 million).

The Group ensured that the remuneration packages of employees remain competitive and the remuneration level of its employees was determined on the basis of performance with reference to the profitability of the Group, industry remuneration standards and market conditions within the general framework of the Group's remuneration system. The Group has also adopted the Share Award Scheme so as to provide incentives or rewards to eligible participants for their contribution or potential contribution to the Company and/or any of its subsidiaries. The Share Award Scheme expired on July 6, 2024.

In Hong Kong, the Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “**MPF Scheme**”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund.

The employees of the Group's subsidiaries which operate in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government (together with the MPF Scheme, the “**Defined Contribution Schemes**”). These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme. The Group's employer contributions to the Defined Contribution Schemes vest fully and immediately with the employees when contributed into the schemes. Accordingly, (i) for each of the two years ended December 31, 2024, there was no forfeiture of contributions under the Defined Contribution Schemes; and (ii) there were no forfeited contributions available for the Group to reduce its existing level of contributions to the Defined Contribution Schemes as at December 31, 2024.

## **FINAL DIVIDEND**

The Board proposes to pay a final dividend of RMB8.2 cents per Share for FY2024 (“**2024 Final Dividend**”) (FY2023: final dividend RMB6 cents per Share). The proposed 2024 Final Dividend will be payable to Shareholders whose names appear on the register of members of the Company on Thursday, June 12, 2025. Based on the number of Shares in issue of the Company as of December 31, 2024, the total amount of dividend for 2024 is approximately RMB171 million, among which, RMB65 million was paid as interim dividend and RMB106 million is proposed to be paid as final dividend. Subject to the approval by Shareholders at the annual general meeting to be held on Thursday, June 5, 2025, it is expected that the 2024 Final Dividend will be distributed on or before Monday, July 21, 2025. The proposed 2024 Final Dividend will be payable in cash to each Shareholder in HK\$ at the average benchmark exchange rate of RMB to HK\$ as published by the People’s Bank of China during the five business days ending on Thursday, June 5, 2025 (inclusive), being the date of the annual general meeting, unless an election is made to receive the same in RMB. Shareholders will be given the option to elect to receive all (but not part) of the 2024 Final Dividend in RMB. To make such election, Shareholders should complete the dividend currency election form, which is expected to be despatched to Shareholders in late June 2025 as soon as practicable after the record date of Thursday, June 12, 2025 to determine Shareholders’ entitlement to the proposed 2024 Final Dividend, and return it to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, July 8, 2025. Shareholders who are minded to elect to receive all (but not part) of the 2024 Final Dividend in RMB by cheques should note that (i) they should ensure that they have an appropriate bank account to which the RMB cheques for dividend can be presented for payment; and (ii) there is no assurance that RMB cheques can be cleared without material handling charges or delay in Hong Kong or that RMB cheques will be honoured for payment upon presentation outside Hong Kong. The cheques are expected to be posted to the relevant Shareholders by ordinary post on Monday, July 21, 2025 at the Shareholders’ own risk.

## **DIVIDEND POLICY**

According to the dividend policy of the Group, subject to compliance with applicable rules and regulations (including Cayman Islands laws) and the Articles of Association, the Company will pay dividend to the Shareholders when the Group recorded net profit during the period and payment of dividend would not affect its normal operation. The Company intends to share its profits with Shareholders in the form of annual dividend and the remaining net profits will be used for the Group’s development and operations.

The Company's ability to pay dividends will depend upon, among other things, the general financial condition of the Group, the Group's current and future operations, liquidity position and capital requirement of the Group as well as dividends received from the Company's subsidiaries. The payment of the dividend by the Company is also subject to any restrictions under the Cayman Islands laws and the Articles of Association.

The dividend policy will continue to be reviewed from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period.

## **MODEL CODE**

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as rules governing dealings by Directors in the listed securities of the Company.

Having made specific enquiry, the Company confirmed that all members of the Board complied with the Model Code during the year ended December 31, 2024. As senior managers, executives and officers who, because of their offices in the Company, may possess inside information of the Company, they shall comply with the provision of the Model Code. To the best knowledge of the Company, no incident of non-compliance to the Model Code has been committed by such employees during the year ended December 31, 2024.

## **CLOSURE OF REGISTER OF MEMBERS**

For determining the entitlement to attend and vote at the annual general meeting to be held on Thursday, June 5, 2025, the register of members of the Company will be closed from Monday, June 2, 2025 to Thursday, June 5, 2025, both days inclusive, during which period no transfer of shares will be registered. In order to qualify as members entitled to attend and vote at the annual general meeting, investors should lodge all transfers of shares accompanied by the relevant share certificates with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. (Hong Kong time) on Friday, May 30, 2025.

For determining the entitlement to the 2024 Final Dividend, the register of members of the Company will be closed from Wednesday, June 11, 2025 to Thursday, June 12, 2025, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the entitlement to the 2024 Final Dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. (Hong Kong time) on Tuesday, June 10, 2025.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the year ended December 31, 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including the sale and transfer of treasury shares as defined under the Listing Rules).

As at December 31, 2024, the Company did not hold any treasury shares (as defined under the Listing Rules).

## **CORPORATE GOVERNANCE PRACTICES**

The Company has been committed to maintaining and improving its standard of corporate governance in order to enhance the accountability and transparency of the Group, so as to increase the long-term return of the Shareholders.

The Company confirms that it has complied with the code provisions set out in Part 2 of Appendix C1 to the Listing Rules (i.e. the CG Code) during the year ended December 31, 2024.

The Company will continuously review and commit in making necessary arrangement to comply with all the code provisions under the CG Code and the rising expectations of Shareholders and investors.

## **REVIEW OF ANNUAL RESULTS BY THE AUDIT COMMITTEE**

The Company established the Audit Committee in accordance with Rule 3.21 of the Listing Rules and the CG Code on November 4, 2013. Its primary responsibilities include serving as a focal point for communication among other Directors, the external independent auditor and the internal auditor as regards their duties relating to financial and other reporting, risk management and internal controls, external and internal audits and such other financial and accounting matters as the Board determines from time to time, assisting the Board in providing an independent review on the effectiveness of the financial reporting system, risk management and internal control systems of the Group and overseeing the audit procedure, reviewing the Group's financial and accounting policies and practices and performing other duties and responsibilities as designated by the Board.

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. KWONG Kwok Kong (committee chairman), Mr. FU Tingmei and Mr. ZHOU Peng. The Audit Committee, together with the management of the Company, has reviewed the accounting principles, accounting standards and methods adopted by the Company, discussed the matters concerning risk management and internal control, auditing and financial reporting matters and reviewed the annual results and the consolidated financial statements of the Group for the year ended December 31, 2024.

## **SCOPE OF WORK OF THE COMPANY’S AUDITOR**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and consolidated statement of comprehensive income, and the related notes thereto for the year ended December 31, 2024 as set out in the preliminary announcement have been agreed by the Group’s auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group’s consolidated financial statements for FY2024. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary announcement.

## **OTHER INFORMATION**

### **Yan Hua IOT Agreement Dispute**

In respect of the litigation case between the Company and the Yanhua Parties regarding the performance of the Yan Hua IOT Agreement in 2019, the Beijing High People’s Court handed down the final judgment (2020 Jing Minzhong No.110) on November 22, 2021, which rejected the appeal filed by the Yanhua Parties in 2020 and upheld the original judgment in 2019 as follows: the major details are as follows: (1) the unilateral termination of Yan Hua IOT Agreement by Yan Hua Phoenix and Yan Hua Hospital is declared to be void and that the parties shall continue to perform its obligations under the Yan Hua IOT Agreement; (2) the amount of RMB14,400,000, being the damages for breach of the Yan Hua IOT Agreement, is to be paid by Yan Hua Phoenix to CR Hospital Management & Consulting; (3) other reliefs sought by CR Hospital Management & Consulting shall be dismissed; and (4) other counterclaims of Yan Hua Phoenix and Yan Hua Hospital shall be dismissed. As the Yanhua Parties have been negligent in complying with the abovementioned final judgment, the Company then filed an application for enforcement with the Beijing Second Intermediate People’s Court in January 2022, and then accordingly received the liquidated damages amounted to RMB14,400,000 and related overdue fine paid by Yan Hua Phoenix through the court enforcement procedure in April 2022. However, due to the Yanhua Parties’ persistent refusal to perform the Yan Hua IOT Agreement, the Company brought a separate lawsuit against the Yanhua Parties in September 2022 to seek compensation for the losses suffered by the Company as a result of the Yanhua Parties’ breach of the Yanhua IOT Agreement (including the management fee and supply chain fee receivable by the Company from 2019 to the filing date).



The Beijing Second Intermediate People’s Court handed down the original judgment on December 22, 2023 (the “**Original Judgment**”), adjudicating as follows: (1) ordering that Yan Hua Hospital should pay RMB3,057,500 for the annual repayment of investment and, in addition, related overdue fine; (2) ordering that the Yanhua Parties should pay RMB41,237,300 for the loss of hospital management fee and, in addition, related overdue fine; and (3) ordering that the Yanhua Parties should pay RMB146,666,700 for the loss from the cessation of comprehensive service transaction and, in addition, loss of interest. Both parties appealed against the Original Judgment. Subsequently, on December 27, 2024, the Beijing High People’s Court has ruled to agree with the withdrawal of the appeal by the Yanhua Parties, and handed down the final judgment upholding the Original Judgment. On February 20, 2025, the Company received the enforcement payment of RMB209,480,000 transferred by the Court. Regarding the payment received as a result of the aforementioned judgment, the Company will further consider the overall circumstances and consult with professional advisors to determine the appropriate accounting treatment. Such amount may or may not be recognized as other income of the Company in full. For further details, please refer to the announcement of the Company dated February 21, 2025.

Regarding the Yan Hua IOT Agreement Dispute, the Company is also considering subsequent response plans in order to take all appropriate actions to safeguard the overall interests of the Company and its Shareholders. The Company will issue further announcements in a timely manner in accordance with the Listing Rules and the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), as and when required.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This annual results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.crmedical.hk](http://www.crmedical.hk)), and the 2024 annual report of the Company containing all the information required by the Listing Rules will be dispatched to the Shareholders who request printed copy and made available on the above websites in due course.

In this announcement, the terms “associate”, “connected person” and “subsidiary” shall have the same meanings given to such terms in the Listing Rules, unless the context otherwise requires.

## DEFINITIONS

“Articles of Association”	the articles of association of our Company adopted on September 30, 2013 and as amended from time to time
“Audit Committee”	the audit committee of the Board
“Board”	the board of Directors of our Company
“CG Code”	Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“Chairman”	the chairman of our Board
“China” or “PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Taiwan, the Macau Special Administrative Region and Hong Kong
“Company” or “our Company” or “China Resources Medical”	China Resources Medical Holdings Company Limited (華潤醫療控股有限公司), a company incorporated in the Cayman Islands with limited liability on February 28, 2013
“Corresponding Period”	the period from January 1, 2023 to December 31, 2023
“CR Hospital Management & Consulting”	China Resources Hospital Management & Consulting Co. Ltd.* (華潤醫院管理諮詢有限公司) (formerly known as Beijing Phoenix United Hospital Management Consulting Co. Ltd. (北京鳳凰聯合醫院管理諮詢有限公司), Beijing Phoenix United Hospital Management Co., Ltd. (北京鳳凰聯合醫院管理有限公司) and Beijing Phoenix United Hospital Management Joint Stock Co., Ltd. (北京鳳凰聯合醫院管理股份有限公司)), a limited liability company established under the laws of the PRC on November 6, 2007, and a wholly-owned subsidiary of our Company
“Director(s)”	the directors of our Company or any of them

“FY2023”	the financial year ended December 31, 2023
“FY2024”	the financial year ended December 31, 2024
“Group”, “our Group”, “we” or “us”	our Company and its subsidiaries
“HK\$” or “HKD” and “HK cent(s)” or “cent(s)”	Hong Kong dollar and cent(s) respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huaiyin Hospital”	Huai’an City Huaiyin Hospital Company Limited* (淮安市淮陰醫院有限公司), a company established in the PRC with limited liability
“IAS”	International Accounting Standard
“IFRSs” or “IFRS Accounting Standards”	International Financial Reporting Standards
“IOT”	the “invest-operate-transfer” model
“IOT Hospitals”	third-party hospitals and clinics, which we manage and operate under the IOT model
“Jing Mei Group”	Beijing Jing Mei Group Company Limited* (北京京煤集團有限責任公司), a company established in the PRC with limited liability
“Jing Mei Hospital”	Beijing Jing Mei Group General Hospital* (北京京煤集團總醫院)
“Jing Mei Hospital Group”	collectively, Jing Mei Hospital and its affiliated hospitals and community clinics
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Model Code”	The Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“OT”	the “operate-transfer” model
“OT Hospital”	third-party hospital which we manage and operate under the OT model
“Reporting Period”	the period from January 1, 2024 to December 31, 2024
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) with par value of HK\$0.00025 each in the capital of our Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Award Scheme”	the share award scheme of the Company adopted by the Board pursuant to a resolution passed by the Board on July 7, 2014, as amended by the Board on May 25, 2015 and August 31, 2018
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“UMP Healthcare Holdings”	UMP Healthcare Holdings Limited (聯合醫務集團有限公司), a limited liability company incorporated in the Cayman Islands, whose shares are listed on the Stock Exchange (Stock Code: 722)
“Yan Hua Hospital”	Yan Hua Hospital* (北京燕化醫院)
“Yan Hua Hospital Group”	collectively, Yan Hua Hospital and the community clinics affiliated with Yan Hua Hospital
“Yau Hua IOT Agreement”	the hospital management right and investment framework agreement dated February 1, 2008 and the Yan Hua Hospital Investment Management Agreement dated February 4, 2008, both of which were supplemented in April 2008, December 2010, June 2011, June 2013, July 2013, September 2013 and October 2013, entered into by CR Hospital Management & Consulting with Yan Hua Phoenix and Yan Hua Hospital Group

“Yan Hua Phoenix”

Beijing Yan Hua Phoenix Healthcare Asset Management Co., Ltd.\* (北京燕化鳳凰醫療資產管理有限公司), a limited liability company incorporated under the laws of the PRC on July 18, 2005

“Yanhua Parties”

Yan Hua Phoenix and Yan Hua Hospital

\* *Denotes English translation of the name of a Chinese entity is provided for identification purpose only.*

By order of the Board  
**China Resources Medical Holdings Company Limited**  
**SONG Qing**  
*Chairman*

Hong Kong, March 25, 2025

*As at the date of this announcement, the Board comprises Mr. SONG Qing, Mr. YU Hai, Mr. SHAN Baojie and Ms. YANG Min as executive Directors; Ms. GE Lu as non-executive Director; Mr. WU Ting Yuk, Anthony, Mr. KWONG Kwok Kong, Mr. FU Tingmei and Mr. ZHOU Peng as independent non-executive Directors.*